

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
LEXINGTON-SOUTH ELKHORN WATER)	CASE NO. 96-560
DISTRICT)	

O R D E R

On November 20, 1996, Lexington-South Elkhorn Water District ("South Elkhorn") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. South Elkhorn purchases water from Kentucky-American Water Company ("Kentucky-American").
2. Effective September 11, 1996, Kentucky-American increased its rate for wholesale water from \$1.59 per 1,000 gallons to \$1.74 per 1,000 gallons. Kentucky-American increased its monthly customer charge for a 2-inch meter from \$46.70 to \$52.96 and increased its charge for a 4-inch connection from \$145.94 to \$165.50.
3. South Elkhorn proposed to increase the rates to its customers effective October 8, 1996.

4. During the 12 months ending September 10, 1996, South Elkhorn purchased 147,008,250 gallons of water from Kentucky-American. During that same period of time, South Elkhorn sold 123,838,640 gallons of water.

5. South Elkhorn's purchased water adjustment calculations show an increase in purchased water cost of \$22,916, resulting in a purchased water adjustment of 19 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of South Elkhorn's customers would increase 95 cents from \$30.35 to \$31.30, or 3.1 percent.

6. The purchased water adjustment of 19 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

7. South Elkhorn's proposed tariff is correct and should be approved.


IT IS THEREFORE ORDERED that:


1. The purchased water adjustment of 19 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after October 8, 1996.

2. South Elkhorn's proposed tariff is approved.

Done at Frankfort, Kentucky, this 20th day of December, 1996.

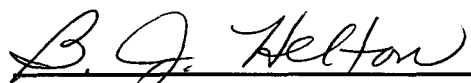
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-560 DATED DECEMBER 20, 1996

The following rates and charges are prescribed for the customers in the area served by Lexington-South Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates:

5/8" x 3/4" Meter

First	2,000	Gallons	\$17.53	Minimum
Next	2,000	Gallons	4.74	Per 1,000 Gallons
Next	2,000	Gallons	4.29	Per 1,000 Gallons
Next	10,000	Gallons	4.04	Per 1,000 Gallons
Next	8,000	Gallons	3.77	Per 1,000 Gallons
All Over	24,000	Gallons	3.49	Per 1,000 Gallons

1" Meter

First	10,000	Gallons	\$51.75	Minimum
Next	6,000	Gallons	4.04	Per 1,000 Gallons
Next	8,000	Gallons	3.77	Per 1,000 Gallons
All Over	24,000	Gallons	3.49	Per 1,000 Gallons

2" Meter

First	24,000	Gallons	\$106.15	Minimum
All Over	24,000	Gallons	3.49	Per 1,000 Gallons

All meters shall be read to the nearest one hundred gallons each month.